

# Product Placement in Movies

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"Product placement is the inclusion of a product, a brand name, or the name of a firm in a movie or television program for promotional purposes." These may be a brand name, logo, signage or other trademarks in the content of mass media programming. (Homer, 2009). It is seen that movies, TV programs and the internet are the most widely used mediums for product placements. One of the most important aspects in any product placement is what the product is, what kind of movie it is and how it is going to be used in the movie. It is argued that placements may have an impact on the consumers future purchase intentions, attitudes, brand awareness, recall, usage pattern, acceptance, responses and beliefs to name a few.

Paid product placement came into existence in the mid 1980's after a chance placement of Reeses candy in the Steven Speilberg movie "Extra Terrestrial" which saw the candy sales surge by 5 times in the mid 1980's. The friendly alien was seen munching on the Reeses pieces candy and its popularity surged significantly. In the movie "Risky Business" featuring Tom Cruise the sunglass manufacturer Ray Ban's Wayfarers brand sales increased significantly owing to its clever product placement in the movie. (Business line, March 23, 2000). James Bond movies are known to have showcased brands like Aston Martin, BMW and Omega in its movies throughout. Some of the other popular product placements seen in movies are of Ray Ban in "Men in Black"; AOL in "You've got mail"; Sony Ericsson in Bond Movies, Lamborghini and MVAugusta superbike in Dark Knight, Sumo Victa in "Darogaji Chori Ho Gayi"; Google in "Da Vinci Code" etc.

Syndicated figures for the size of this industry (product placement in movies) in India are still largely unavailable. However, industry experts estimate this to be around Rs.50-60 crores currently and growing at the rate of 50% annually. This industry is expected to touch Rs 500 crore by 2010. (Menon, 2005)

In the Indian film industry the categories that are seen to be using product placements increasingly are auto lubricants, Jewelry, Telecom opertors, cars , bikes, biscuits and confectionary. Castrol was seen in *Chalte-Chalte & Kyon Ho Gaya Na*. Britannias 50-50 biscuit was seen in *Mujhse Shaadi Karoge*. (Menon, 2005)

When Tanishq (a premium jewelry brand in India) supplied the jewelry for the period film *Paheli* it created lot of enthusiasm and interest among the consumers for the traditional looking Rajasthan (one of the Indian states rich in culture and known for its Kundan work in Jewelry making) jewelry. The other promotions in TV and outdoor medium done by Tanishq for its association with the movie is claimed to have had a positive impact on the jewelry brand.

Ethically charged products like alcohol guns, cigarettes are seen to be less acceptable by consumers than neutral products for in-film placements. US consumers found guns to be least acceptable while Australian consumers found cigarettes to be least acceptable. (Brennen, Rosenberger & Hementera, 2004). In most of the developed countries the product placements were seen in categories like transportation and parts, food and beverages, apparel and accessories, travel and leisure. (Abu-Shallback, 2005)

The two key factors that are considered while analyzing the efficacy of product placements are the Type & Repetition in the chosen medium. The type of product placement can be subtle or prominent/obvious and its repetition in the chosen media may be either low or moderate. When the product is subtly brought into a scene of a movie audiences tend to associate with the stars and this is likely to have a relatively positive impact on consumer attitude. While a more prominent / obvious placement is seen to have a negative impact on brand attitude when the brand is a known one. (Homer, 2009). In the more implicit type of product placement the actor is seen to be openly expressing that he is using the product or he may be seen recommending it to a friend or a coworker to use the product (imperative mode). At other times the actor may be seen using the product or in some setting with the product. The product may even be brought into play within a dialogue where it is used as metaphor. For eg. The

brand Fevicol (a leading adhesive brand in India) appears in the movie Masti where an actress makes a mention of Fevicol to refer to another character in the movie as someone “who is so stuck to you that the people at Fevicol might just start sponsoring her”.

Repeated usage of a product in a movie is seen to question the integrity of the movie and the audiences are likely to ridicule both the movie and the brand. It might be viewed as an intrusion by the audience leading to annoyance and negative associations with the brand. However the usage of the brand for the first few times in the movie is seen to increase the brand awareness level. Placements are found to be extremely effective when the product sits well with the plot of the story line in the movie or TV show.(Homer, 2009)

Positive product portrayals may lead the consumer to use the product while negative portrayals may discourage the consumers from using it. Therefore while it is an important part of integrated marketing communication, managers must clearly study the synergy between the products appearance in the movies, its image and its competitive positioning in the market for this to be effective (Mortan & Friedman 2002). Plot integration and time on screen is seen to have a significant impact on the brand recall when used in movies(Gupta & Sarkar, 2008).

In the Hindi movie “Bhagban” 5 brands were integrated well into the film. The actor Amitabh Bachan was shown as a retired employee of ICICI Bank( a leading Indian bank) and Salman Khan the other actor in a lead role was seen to be owning a Ford Showroom. Other brands that had their presence in the movie was Tata Tea, Archies and Tide. TI cycles one of the leading bicycle brands in India uses atleast 3 movies per year to improve its brand recall.(Menon, 2005). In the movie Gayab ( a hindi movie that translates to “Invisible” in English) a motorbike was seen riding on its own without the rider as the lead actor or the rider was supposed to be invisible. In this instance the plot and the brand combined very well for the benefit of the marketer as bike became the key focus without the rider for extended periods of time in the movie. It is possible that the presence of the rider might lead to dividing audience attention between the rider / star of the movie and the bike which might have been detrimental to the brand in question.

Studies have shown that product placement in humorous movie scenes have a positive impact on the brand and the purchase behavior of the consumer while violent movies did not seem to have the positive influence. (Danielnova & Wiles, 2009). However, this was true only if the consumers had positive prior brand evaluation. In the event of consumer having negative prior brand evaluations humorous product placements worked as a persuasive tool in favour of the product. (Jin & Villages, 2007).

One of the major benefit of product placement is the long shelf life of movies after its initial release as it may continue to be borrowed by consumers from video rental library long after its release.( Karr, 1998). Products are placed within the film without the consumer ever realizing it. Therefore there is no push to buy from the marketer unlike the traditional 20 to 30 second commercial where the marketer tries to induce purchase by the consumer. This might also have to do with the subtlety with which the brand is portrayed. Typically such subtle product placements are done using the product within a movie in a particular scene as a backdrop or are seen as being used or referred to by the actor. In such instances the brand receives unpaid endorsement from a popular actor or a production company. This is very cost effective to the marketer compared to a formal celebrity endorsement which could easily run into billions of dollars. With the current phenomenon of globalization, movies are not restricted for the audience of its country of origin. They are watched worldwide and hence product placement in those movies that are meant for the global audience has a potential for a much greater reach than a regular commercial which is typically targeted towards a nation/ city/ region. In the process it is a win-win situation for both the production company and the brand. Many times the brand will promote their associations with the movie in their internal and external promotional campaign and the producers get free publicity for their movies in the

process.(Terry, 2001).

There have been several instances where companies have either seen jump in their product sales or increase in their brand recall after their brands appearances in movies. For instance, Nokia saw an increase of about 64% in its brand recall after its placement in the movie *Minority Report*. Increased brand recall, albeit to a lesser degree, was also noticed for Sony Ericsson after its appearance in *Die another day*.(Yap, 2004). 007 movies have been used regularly by Sony to introduce K800i Cybershot, P900 and T68i mobile phones in the past. The use of the Indian telecom company Tata Teleservices in the movie *Chandramukhi* is known to have increased its IMRB's (Indian Market Research Bureau) spontaneous brand awareness from 30 to 99 in less than six months. (Challapalli, 2006). In the blockbuster movie *Dark Knight*, Batman is seen to be flaunting Lamborghini Murcielago and the MV Augusta superbike. Other significant brands that managed a presence in the movie was Armani, Bentley, Bang and Olufsen and Nokia's yet to be released touch screen phone.(Gupta & Sarkar, 2008). On the Indian shores the utility vehicle "Sumo victa" witnessed an increase of 20% in sales after the brands placement in the Bhojpuri movie "Darogaji Chori Ho Gayi".60% of the movies posters had the vehicle prominently visible with the lead actors standing around it. In this case the marketer had a clear problem where one of its earlier models of the vehicle named "Sumo" was getting confused with the latest entrant "Sumo Victa".While the brand Sumo was indeed in the top of the consumers mind the recall for Victa was however observed as low in one of the most important markets for the brand.Product placements in movies can be especially beneficial to the consumers of those markets that are stifled with problems of low TV and satellite penetration, frequent power failures and illiteracy as movie theatres are seen to be functioning even during power failures with power backups in emerging markets like India. In those markets where the movies theaters are filled to capacity product placement can be really advantageous.(Chamikutty, 2009). In 2004 the US fast food joint White Castle approved the use of its name in the movie titled "*Harold and Kumar go to White Castle*" to reach its target audience who were primarily 18-24 year olds.This was seen to induce a lot of product trial amongst the target audience and the results were enviously encouraging to the point that a group of four friends drove all the way from Florida to New York to eat at White Castle.(Cebrynski, 2006).

Some movie associations lets a brand come out with a collection named after the movie as was done by the jewellery brand Tanishq by coming up with a Paheli (the movie name) collection of jewellery.The biggest advantage of in-film placement is that of mass appeal.

One of the main areas of concern for the marketer however is the difficulty in assessing the return on investment (ROI) to the brand owing to such product placement.(Jaffee,2007) As in most promotional mixes product placement is also a part of the larger promotional mix and it is difficult to gauge the exact dollar benefit accrued to the brand because of the placement of it in a certain movie. There are tools like iTVX that measures the ROI of product placements in movies immediately after its showing via the internet. However, to what extent it is being extensively used by advertisers is largely uncertain. (Business line, 08 Feb 2006). Studies on this suggest only a mean cumulative abnormal return of 0.89% during the film's opening. Tie-in advertising and brand equity of the product are seen to positively impact the placement in such cases. Pre-release publicity to critics and promotional audiences are seen to attract an investor's attention to at least view the film. One of the factors that impede the success of this is when the product placement is used in a violent movie. It is observed that the audience ability for absorption is significantly affected when used in a violent movie. (Danielnova & Wiles, 2009)

The other key areas of concern while using an in-film product placement is the fit between the product and the movie and the logistics involved in the movie making. Largely movie making in a country like India takes about 9-12 months and in the meantime the marketer really has very little control of how eventually the product is going to be used in the movie, number of seconds the brand is going to be exposed, which actor is present, what kind of scene it is and most importantly whether the existing brand associations are in sync with the way the product is

used in the film. Most often than not these products are found to be a force fit in the plot than a seamless integration. Certain studies also show that the success of the movie itself might have a bearing on the success of product placement in the chosen movie.

An in-film placement affects both the producer and the advertiser. Since this medium lacks standardization of rate card, an advertiser really does not have any figures to compare within the industry. These rates are largely determined by the quality and the amount spent on the movie making process. In either case these are not within the control of the advertiser. So effectively they are required to pay whatever rates has been quoted by the producer. A producer on the other hand is particularly concerned about covering their costs involved in product placements and the costs depends on the quality and quantity of resources used in the movie making process on which the marketer has no control. Therefore the price to be paid by the marketer for this medium is rather ambiguous with very little rationale for him to have a judgment. (Subramaniam, 2001).

If used more prominently or obviously and/or repetitively in a movie, product placements are found to be more distracting, disruptive, and less realistic and finally do not connect with the plot of the movie. Consumers therefore associate such placements with opportunism and profit making motives. Studies also suggest that consumers are more accepting of subtle visual cues about the brand in movies than verbal references to the brand. Vivid auditory cues by mentioning the brand in a dialogue is seen as inappropriate by the consumer.

Increasingly companies are looking beyond traditional mediums of TV, print and outdoor advertising and have their eyes set on more lucrative and effective alternatives like in-film promotion as a promising alternative to building relationships with their target audience. While exact calculation of the ROI of product placement is still a debated area, the concept has found takers and is seen to improve brand awareness if the product is new. For known brands the product placements are known to bring in positive associations with the brand. For product placements to be successful and to create the desired impact it is imperative that the products integrate well with the storyline of the movie and be used subtly so the consumer does not feel the intrusion of the brand. More obvious and prominent ways of product placements like using it in a dialogue of a movie are found to have undesirable consequences for the brand. It is therefore important for the marketer to find the right visual-audio combination to have the most desired impact on the target audience. Numerous examples do support these arguments although differences are seen across countries in the type of movies used, type of products used and the manner in which they are used. In India this alternative medium is relatively new and is believed to have immense potential in the years to come for both the advertiser and the producer if used wisely.

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